



NEWS & VIEWS

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
July 2005

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SBA Home Page

<http://www.sba.gov>

Wisconsin SBA Home Page

<http://www.sba.gov/wi>

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SBA-Backed Loans Continues at Record Pace Through Third Quarter of FY 2005

Small businesses continued turning to the U.S. Small Business Administration for commercial credit in record numbers through the first three quarters of FY 2005, reflecting their confidence in the U.S. economy and the stability of the SBA loan program that backs their loans.

Small businesses secured SBA backing under the agency's flagship 7(a) program for 71,131 loans through the first nine months of the fiscal year, a 21 percent increase over the same period a year ago and a 49 percent increase over the same period two years ago.

The loans made so far this year amount to \$11.1 billion, 19.5 percent more than in the same period last year, a 22 percent increase over the same period a year ago.

In Wisconsin, SBA backed 1,443 loans worth \$283.2 million through the first nine months of this fiscal year, a 22 percent increase over the same period a year ago.

"We had a record year for this loan program a year ago, and we're going to set another record in 2005," said SBA Administrator Hector V. Barreto. "It tells us that the critics are wrong, that small businesses are confident enough to invest in the future of the

American economy, and that this program is here to help them do it. It also demonstrates the effectiveness of the self-funded footing on which the President has placed the loan program, and the confidence that lenders have in its stability. I am very pleased with this performance so far this year."

The gains are also reflected in the SBA's Certified Development Company or 504 loan program. Through the first nine months of the fiscal year, the 504 program had issued 6,434 loans worth \$3.44 billion, more than 6 percent ahead of the same period a year ago, when the program had produced 6,058 loans for \$2.88 billion. In Wisconsin, under the 504 program, SBA issued 138 loans worth \$77.3 million, a 5 percent increase over the same period a year ago.

The budget for the current year makes more than \$21 billion available to small businesses through the two loan programs, including \$16 billion in small business lending under the 7(a) program and \$5 billion under the 504 program.

SBA's Small Business Development Center Program Marks its 25th Year

Administrator Hector V. Barreto of the U.S. Small Business Administration heralded the 25th Anniversary of the Small Business Development Center Program, the

SBA's largest counseling and training network, and praised the program's continued outstanding success in strengthening the Nation's economy through job creation and retention.

"The 25th anniversary of the Small Business Development Center program marks an important milestone," said Administrator Barreto. "The SBA is proud to have the SBDC as a resource partner, aiding the nation's entrepreneurs to realize their dreams of business ownership."

Officially begun in 1980 after being a pilot program for three years, the SBDC program has grown enormously, from eight to 63 Lead Centers and more than 1,000 service center locations in every state, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa. The SBDC program offers free one-on-one counseling and low-cost training by experienced business professionals to aspiring and existing entrepreneurs, working in coordination with federal, state, local and private sector resources.

Since 1980, SBDCs have met the needs of more than 11 million start-up and existing business clients. Between 2002 and 2003, clients who received in-depth assistance from SBDC's started over 15,000 businesses. In fiscal year 2003, SBDC clients generated approximately \$4 in new federal tax revenues for every federal dollar spent on program funding, generating an estimated \$351.8 million in tax revenue in return for the program's \$88 million appropriations.

In fiscal year 2004, the SBA's SBDC program reported the largest number of individuals counseled in its history – 279,905 existing business owners and would-be entrepreneurs assisted with every aspect of business ownership.

SBDC's provide services such as development of business plans, manufacturing assistance, financial packaging assistance, contracting assistance and international trade assistance. Special emphasis areas include e-commerce, technology transfer, IRS, EPA and OSHA regulatory compliance, research and development, Defense Economic Transition Assistance (DETA), disaster recovery assistance and market research.

To learn more about the SBDC program or to find your local SBDC, visit www.sba.gov/sbdc, in Wisconsin www.sba.gov/wi/wisbdc.html

SBA Announces Web Chat Series for Small Business Owners

The U.S. Small Business Administration announced today the kick-off of a live Web chat series for small business owners on Entrepreneurship, beginning in July, to engage business owners and aspiring entrepreneurs in a national dialogue about the issues that matter to them most.

Kicking off the first chat will be J. Scott Plank, chief administrative officer of Under Armour Performance Apparel, on Thursday, July 21, 2005 at 1:00 EDT (10:00 a.m. PDT). The Web chat will focus on "Entrepreneurship: Innovative

Strategies for Small Business Growth." Plank will share the incredible story of helping to build a multi-million dollar business with other entrepreneurs and aspiring business owners, as well as provide insight on the successes and challenges of entrepreneurship.

Under Armour Performance Apparel was inducted into the SBA's 2005 Hall of Fame, awarded to former small businesses that received early-stage SBA assistance. Under Armour, headquartered in Baltimore, Md., is the originator of performance apparel, a line of moisture wicking micro fiber clothing that pulls perspiration away from the skin to keep athletes cool, dry and light throughout the course of a game, practice or workout. The company employs more than 450 people, and received the SBA honor based on its exemplary leadership in the business community, innovation, growth and job creation.

Participants can join the live Web chat by going online to www.sba.gov, and clicking "Your Small Business Voice Live Online". Plank will answer questions for approximately one hour. Participants may also post a question for Plank before the July 21 Web chat by visiting the same Web page and posting their question online. The Live Web chats will be held monthly on a variety of small business topics. For details on future live Web chats, go to www.sba.gov.

State and Local Government Official Ray Marchiori Joins Advocacy as Regional Advocate

Will Work With Small Businesses, Trade Associations, Legislators, Local Governments

Experienced state and local government official Ray Marchiori joins the Office of Advocacy as Regional Advocate for the federal government's Region V, covering Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. He will be the direct link between small business owners, state and local government agencies, state legislators, small business associations, and the Office of Advocacy of the U.S. Small Business Administration.

"Ray Marchiori is a great addition to President Bush's small business team," said Thomas M. Sullivan, Chief Counsel for Advocacy. "His experience in all levels of government – local, state, and federal – and his family background in small business will allow him to immediately help small business owners combat overly burdensome government regulations."

Marchiori has extensive local, state, and federal government experience. Most recently, he was Chief of Staff at the Rural Development/Rural Utilities Service of the United States Department of Agriculture. There he focused on the President's Rural Broadband Deployment Initiative and the Rural Utilities Service management plan. Previously he

served as a Commissioner of the Northeastern Illinois Planning Commission, the Executive Director of the DuPage County (IL) Workforce Board and worked in both the legislative and executive branches of Illinois state government.

Marchiori grew up working in his family's restaurant, which his mother still runs in Hennepin, IL. In high school he started a small business that helped pay for his education at Northern Illinois University.

"I am excited to be able to use my governmental experience and small business background to promote policies that strengthen entrepreneurs," said Marchiori. "I look forward to being a part of the Office of Advocacy and to the opportunity to bring the concerns of small business owners in Region V to Washington, D.C."

Regional Advocates help identify new issues and concerns of small business owners. They also monitor the impact of federal and state policies on small business at the local level. They work closely with local government officials, state officials, legislators, and the Chief Counsel for Advocacy to develop programs and policies that reduce regulation and promote small business growth.

For more information, call Ray Marchiori at (312) 353-8614 or visit the Office of Advocacy website at www.sba.gov/advo.

Congressional Action to Stop Junk Faxes Helps Small Business

With the passage of the Junk Fax Prevention Act of 2005 (S. 714) Congress has acted to stop junk faxes while ensuring that small businesses can communicate with their customers. The legislation will ensure that business can send faxes to customers, with whom they already have an established business relationship without having to obtain written prior approval. The bill has been sent to President Bush for his signature.

"The passage of the Junk Fax Prevention Act of 2005 by both the U.S. House and Senate is good for small businesses and their customers," said Chief Counsel for Advocacy Thomas M. Sullivan. "Junk faxes remain illegal, but real estate agents can still fax listings based on a telephone request, jobbers can fax updated price lists to stores, and caterers can fax menus to brides-to-be. It's bipartisan win-win legislation that's good for all concerned," he said.

The legislation prohibits sending unsolicited fax advertisements to anyone who has requested that they not be sent. Unsolicited faxes can be sent if the senders have an established business relationship with the customer and the fax contains a conspicuous notice on its first page that the recipient may request not to be sent any further unsolicited faxes. To prevent third party mass marketers from buying fax lists businesses must obtain fax numbers either directly from the recipient, or from a published source such as a directory, advertisement or Internet site.

The Junk Fax Prevention Act of 2005 overturns overly broad regulations issued by Federal Communications Commission (FCC) in July 2003. Those regulations would have made it illegal for businesses to send faxes to even long-time customers unless they had specific written permission to send a fax to a particular number. The FCC regulations were opposed by a broad range of over 600 businesses and trade associations who joined the "Fax Ban Coalition" organized to oppose and reverse the FCC's regulations.

In a May 2004, letter to the Office of Management and Budget, Advocacy identified the FCC regulations as overly burdensome on small businesses and in need of reform. The letter noted that the rule "places a substantial burden on manufacturers and other businesses by compelling them to obtain the signed written consent of each recipient before any commercial fax may be sent" and that the rule should be modified "to continue the established business relationship exemption."

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues. For more information, visit the Office of Advocacy website at www.sba.gov/advo.

Out and About With SBA in July

Lender Training/Visits

In Milton, Becky Freund conducted training at First Community Bank. In Columbia county, BD Chief John Mirenda visited lenders and Chambers of Commerce.

BDS Cheryl Jordan will be visiting lenders and Chambers of Commerce in West Bend, Mequon, Cedarburg, and Grafton.

SBA will be holding an SBA Loan Day with Community Express Lenders.

Workshop/Training

In Marshfield, BDS Linda Krysiak along with the Wisconsin Procurement Institute, conducted a workshop on Federal Contracting Opportunities, Marketing/Sales Techniques and Registering in CCR. PSA Gloria Hloucal assisted Linda with this workshop.

Linda Krysiak will be the facilitator at a 7(j) training workshop in Milwaukee. PSA Cartina Austin will assist her. BDS Joe Rosner will conduct a free workshop on "What's the Next Step" After Having Registered in CCR?

In Green Bay, BD Chief John Mirenda, and BDS Linda Krysiak will conduct a training session on Federal Contracting Opportunities, Marketing/Sales Techniques and Registering in CCR. PSA Ann Began will assist them. Linda also will be representing SBA and promoting business matchmaking at a Women's Business Owners workshop in Milwaukee.

Speaking

Engagements/Special Events

District Director Eric Ness will be speaking at SBDC's Minority Entrepreneurship Program Reception in Milwaukee. SBA employees, Cheryl Jordan, Linda Krysiak and Mary Trimmier will be representing SBA. Eric and BDS Jerry Polk will be attending the grand opening of the new facility for the Hispanic Chamber of Commerce.

Lead BDS Jim Simelton and BDS Cheryl Jordan spoke to the Black Alliance Group in Milwaukee. Jim will also be speaking at an ITT business class, a Start Smart class at SBDC in Milwaukee and a class at the Fox Valley Technical College.

BDS Mary Trimmier attended the Office of Women's Business Ownership post awards training in Washington, DC. The training was held at the Capitol and after 15 minutes of the presentation phase, attendees were asked to vacate the Capitol. A small plane had violated the air space surrounding the White House and Capitol. Mary also provided SBA information at the 2005 NAACP National Convention. PSA Yolanda Lassiter assisted Mary. Mary will also be speaking at the Main Street Managers' Business Finance Seminar in Milwaukee.

BD Chief John Mirenda, along with WWBIC, will be speaking and representing SBA at a session for the Southwestern Wisconsin CCR & R in Fennimore.

Tips for Business Success

SBA Small Business Winner, Omni Tech Offers Tips for Success

Summary of the Omni Tech Tips for Success

In this day and age when most products are a commodity, how does a buyer differentiate whom they are going to buy from? Most professional buyers purchase the best value for the dollar. If the product is a commodity, then price and fringe benefits becomes a buying differentiator. If you are going to sell on low price only, then there can be only one lowest priced leader at any one time. In this game, the price always is driven lower and nobody makes any money. Big companies can reduce their costs in many ways that smaller firms cannot. The big boys can sometimes play this game and win, whereas the small companies usually lose. Small companies must have a niche doing something better or different from their competitors. By creating "value ads", of services, relationships, integrity, appreciation, win-win philosophy, true and meaningful partnerships, etc, you create a situation where the buyer wants to buy from you. In most cases when a buyer wants to buy from you, they will find a way if you give them enough reasons to do so.

Employees are happiest when they are working for a company they believe in and a company direction they buy into. In order to know if they believe in the company and its direction, an employee has to be communicated with well on the many issues affecting the company

and its direction as well as their personal direction within the company.

There are many ways to communicate with your employees. You can supply them with an up to date comprehensive employee manual. Send e-mails out on current topics of interest. You should have annual written and verbal reviews of each employee. Hold meetings with all employees, at least quarterly, and give updates on all phases of the business and ask for questions on any topic they want. An informed employee is a happy employee and makes them feel a part of the team and that you are all in this together.

This is the end of this series. I hope you have learned some things and enjoyed the tips.

Incubator Information

Advance, the economic development division of the Green Bay Area Chamber of Commerce operates the Advance Business Development Center incubator located at 835 Potts Avenue in Green Bay.

Within the building is a partnership of small business service providers called the Business Assistance Center (BAC). The current partnership consists of Advance, SCORE Chapter 508, and the UW Green Bay Small Business Development Center and the Wisconsin Entrepreneurs' Network.

A referendum was passed several years ago to construct a new incubator on the campus of Northeast Wisconsin Technical College

in Green Bay. The new 50,000 sq. ft. incubator building will also dedicate space to the existing BAC partners as well as additional partners Northeast Wisconsin Technical College and Urban Hope Entrepreneur Center. The new building is scheduled to open in the fall of 2005 and will create a premier one-stop-shop in Northeast Wisconsin for small business assistance.

For more information, contact Lori Ritter, Incubator Program Manager at 920-496-2110.

SBA Lending for June 2005

Abby Bank

Wausau – 1 Loan for \$27,000

American National Bank Fox Cities

Appleton – 2 Loans for \$102,000

Anchor Bank

Oshkosh – 1 Loan for \$90,000

Associated Bank

Green Bay – 23 Loans for \$3,503,700

Minneapolis, MN

1 Loan for \$139,000

Total: 24 Loans for \$3,642,700

Baylake Bank

Sturgeon Bay

4 Loans for \$1,002,500

BLC Community Bank

Little Chute – 1 Loan for \$50,000

Capital One Federal Savings Bank

McLean, VA – 9 Loans for \$430,000

CIT Small Business Lending Corp.

Livingston, NJ

2 Loans for \$1,128,000

Citizens First CU

Oshkosh – 1 Loan for \$90,000

Comerica Bank

Detroit, MI – 1 Loan for \$508,000

Community Bank & Trust

Sheboygan – 4 Loans for \$1,917,000

Community First CU

Appleton – 2 Loans for \$226,000

Community State Bank

Union Grove – 1 Loan for \$56,423

Cornerstone Community Bank

Grafton – 4 Loans for \$646,000

Cuna CU

Madison-2 Loans for \$215,000

Dairy State Bank

Birchwood – 1 Loan for \$150,000

DMB Community Bank

DeForest – 1 Loan for \$2,000,000

Farmers & Merchants Bank & Trust

Marinette – 1 Loan for \$90,200

Farmers & Merchants State Bank

Waterloo – 2 Loans for \$313,000

First Bank Financial Centre

Oconomowoc – 4 Loans for \$437,200

First Bank of Baldwin

Baldwin – 2 Loans for \$1,852,000

First National Bancorp River Falls

River Falls – 2 Loans for \$313,000

First National Bank Fox Valley

Neenah – 6 Loans for \$793,100

Great Lakes Asset Corporation

Green Bay – 1 Loan for \$191,000

Hometown Bank

St. Cloud – 4 Loans for \$1,235,000

Independence Bank

East Greenwich, RI
2 Loans for \$414,000

Investors Community Bank

Manitowoc – 4 Loans for \$2,082,500

Johnson Bank

Racine – 1 Loan for \$209,200
Fort Atkinson – 1 Loan for \$150,000
Total: 2 Loans for \$359,200

JPMorgan Chase Bank NA

Columbus, OH
1 Loan for \$60,000

Lake Bank NA

Two Harbors, MN
1 Loan for \$130,000

Layton State Bank

Milwaukee – 4 Loans for \$195,000

M&I Marshall & Ilsley Bank

Milwaukee – 21 Loans for \$3,793,100

Milwaukee Economic Development Corp.

Milwaukee – 1 Loan for \$822,000

North Shore Bank FSB.

Appleton – 1 Loan for \$300,000

Oak Bank

Fitchburg – 2 Loans for \$326,200

Park Bank

Brookfield – 2 Loans for \$154,000
La Crosse – 1 Loan for \$150,000
Total: 3 Loans for \$304,000

Pigeon Falls State Bank

Pigeon Falls – 1 loan for \$145,000

Premier Bank

Jefferson – 1 Loan for \$782,500

River Valley State Bank

Rothschild – 1 Loan for \$20,000

State Bank of Cross Plains

Cross Plains – 1 Loan for \$50,000

State Bank of La Crosse

La Crosse – 1 Loan for \$300,000

The First State Bank

New London – 1 Loan for \$40,900

The Park Bank

Madison – 2 Loans for \$212,000

Twin Cities-Metro Certified Development Corp.

Arden Hills, MN
2 Loans for \$912,000

United Bank

Osseo – 1 Loan for \$362,000

US Bank NA

Cincinnati, OH
15 Loans for \$321,600

Waukesha State Bank

Waukesha – 1 Loan for \$80,500

Wells Fargo Bank NA

San Jose, CA
7 Loans for \$1,304,000
Minneapolis, MN
3 Loans for \$285,000
Total: 10 Loans for \$1,589,000

Western Wisconsin Development Corp.

Almena – 1 Loan for \$814,000

Wisconsin Business Development Finance Corp.

Monona – 17 Loans for \$9,747,000

Wisconsin Community Bank

Cottage Grove – 4 Loans for \$930,500
Sheboygan – 1 Loan for \$350,000
Total: 5 Loans for \$1,280,500

WI Calendar of Events
Links to Training/Classes
Seminars and More



Do You Want to Grow Your Business? Then You Won't Want to Miss

**This FREE Seminar Sponsored by
The U.S. SMALL BUSINESS ADMINISTRATION**

Topic: Navigating the Maze

Host: Strategic & Learning Services, Inc.

Date: Wednesday, July 20, 2005

Time: 12:00 noon, Eastern

This online web cast seminar is designed especially for small business executives from eligible 7(j) firms who have been in business for more than five (5) years. Eligible 7(j) participants include 8(a) certified firms, HUBZone certified firms, firms that are eligible to receive 8(a) contracts, businesses operating in areas of high unemployment or low income, and firms owned by low-income individuals.

The seminar will feature:

- **Techniques to analyze your business and assess your growth potential**
- **Strategies for managing government contracts, acquiring capital, and handling your company's legal affairs**
- **Assistance in developing a plan for strategic growth.**

For further information, and to register for the live seminar, participants must visit the host's web site:

<http://www.sls-7j.net/>

The seminar will begin promptly. Please join in at least 10 minutes prior to the start time, so that you do not miss any valuable information.

Do You Need MONEY for Your Small Business?

If YES, Don't Miss the:

Community Express Loan Fair



What is a Community Express Loan? A Community Express Loan is a direct loan made through banks offering this Small Business Administration (SBA) product. Designed by the SBA to assist entrepreneurs needing both capital and business advice, this loan is available to businesses located in the City of Milwaukee and for minority and women owned businesses throughout the State of Wisconsin.

Come to the fair! Learn more about this new product! Take this opportunity to meet lenders, technical assistance providers, and SBA representatives! These loans are the fastest and simplest way for small businesses to obtain financing with an:

- Easy Application Process
- Low Interest Rate (Maximum-Prime + 4.75%)
- Quick Turnaround!!!
- No or low collateral requirements - *especially for small loans under \$25,000.*

August 10, 2005

**Ameritech King Commerce Center
2745 N. MLK Drive - Milwaukee, WI**

Community Room (Lower Level)



**60-minute informational sessions will be held at the top
of each hour from:**

3:00 PM to 6:00 PM

The same information will be presented at each session

Registration is encouraged but not required.
Please call the UEDA at 562-9904 to register or ask for more information.

This event is being co-sponsored by the WBD Finance Corp. (WBD) and the Business Assistance Caucus of Milwaukee (BACOM) to encourage new and innovative capital programs that expand opportunities for entrepreneurs.



**The following organizations
have been asked to participate in
the presentations at the Loan Fair:**

Banks

The following organizations offer this loan type and are invited to the fair:

- Business Loan Express (BLX)
- Chase Bank
- Innovative Bank
- M&I Bank
- Mitchell Bank
- Park Bank
- U. S. Bank

Technical Assistance Providers

The following organizations provide business counseling services for the Community Express Loan and are invited to the fair:

- Heartland Information Research
- Minority Business Opportunity Center (MBOC)
- Small Business Development Center (SBDC)
- SCORE
- Wisconsin Women's Business Initiative Corp. (WWBIC)
- Waukesha County Technical College (WCTC)